

SECOND REGULAR SESSION

SENATE BILL NO. 720

92ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR YECKEL.

Pre-filed December 1, 2003, and ordered printed.

TERRY L. SPIELER, Secretary.

2989S.01I

AN ACT

To repeal section 143.111, RSMo, and to enact in lieu thereof two new sections relating to medical savings accounts.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 143.111, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 143.111 and 143.116, to read as follows:

143.111. The Missouri taxable income of a resident shall be such resident's Missouri adjusted gross income less:

- (1) Either the Missouri standard deduction or the Missouri itemized deduction;
- (2) The Missouri deduction for personal exemptions;
- (3) The Missouri deduction for dependency exemptions;
- (4) The deduction for federal income taxes provided in section 143.171; [and]
- (5) The deduction for a self-employed individual's health insurance costs provided in section 143.113; and
- (6) The deduction for medical savings accounts provided in section 143.116.**

143.116. 1. For all tax years beginning on or after January 1, 2004, an individual or corporate taxpayer that is not eligible for a federal deduction for contributions to medical savings accounts pursuant to Section 220 of the Internal Revenue Code, shall be allowed a deduction from Missouri adjusted gross income in the amount of those contributions to medical savings accounts which the taxpayer makes during the taxable year, as provided in this section.

2. No taxpayer shall be allowed any deduction pursuant to this section if the taxpayer has claimed a medical savings account deduction on the taxpayer's

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

federal return for the same taxable year.

3. The amount of the deduction claimed may not exceed the actual amount of qualifying contributions made by the claiming taxpayer during the taxable year. The maximum annual deduction that may be claimed by an individual or corporate taxpayer pursuant to this section shall be limited to the lesser of two thousand dollars per individual and five thousand dollars per household.

4. No cap shall be placed on the number of policies that can participate in Missouri.

5. Except as otherwise provided in this section, the department of revenue shall administer the deduction allowed pursuant to this section as provided in Section 220 of the Internal Revenue Code, including the same penalties for nonmedical withdrawals.

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